

Where is the Swiss safe haven?

Geopolitical risk, bank deposits and custody portfolios

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Abstract

Switzerland is the archetypal financial safe haven, yet its bank deposits do not behave like one. Using Swiss National Bank data for 2000–2025, we find no robust positive deposit response to geopolitical risk. The clearer response appears in custody portfolios, which contain about CHF 4.0 trillion of non-resident securities compared with CHF 0.6 trillion of deposits of foreign counterparties at end-2025. After a one-standard-deviation rise in European geopolitical risk, the non-resident equity share falls by 1.16 percentage points relative to the resident share after two years, while the bond and money-market share rises by 0.78 points after one year and 0.68 points after two years. Global geopolitical threats and acts generate opposite relative-share responses, a pattern consistent with precautionary de-risking rather than a pure macro-financial-conditions channel.

Keywords: Geopolitical risk; safe haven; bank deposits; custody accounts; portfolio reallocation

JEL classification: G11; G21; F30; D14

Declarations of interest: none.

1. Introduction

Bank deposits are a canonical liquid safe asset. Related evidence shows that crisis sentiment and geopolitical risk can affect European deposit behaviour (Anastasiou and Drakos, 2021; Anastasiou et al., 2025). If a positive geopolitical safe-haven deposit response appears anywhere, Switzerland is a natural place to look, given the Swiss franc's safe-haven status (Ranaldo and Söderlind, 2010), political neutrality and statutory depositor protection.

We show that the positive-deposit margin is not the main one in the Swiss data. At end-2025, non-resident clients held about CHF 4.0 trillion of securities in Swiss custody accounts, compared with CHF 0.6 trillion of deposits of foreign counterparties, a ratio of about 6.6 to one. These are aggregate series rather than matched client accounts, but the comparison shows that custody portfolios are quantitatively much larger than foreign deposits. If safe-haven behaviour operates through portfolio composition, the custody account is therefore an important margin to examine.

Three findings follow. First, deposits of foreign counterparties show no robust positive response to geopolitical risk. Second, following a one-standard-deviation rise in European geopolitical risk, the non-resident equity share falls by 1.16 percentage points relative to the resident share after eight quarters. The corresponding bond and money-market share rises by 0.78 points after four quarters and 0.68 points after eight quarters. Third, the global threats and acts components produce opposite relative portfolio-share responses. Taken together, the evidence is consistent with precautionary portfolio de-risking, but does not by itself identify active trading or a unique mechanism.

Specifically, global geopolitical threats lower the relative equity share and raise the relative bond and money-market share, while geopolitical acts have the opposite signs. The offsetting responses help explain why the global aggregate is close to zero. This sign asymmetry is consistent with precautionary flight-to-quality behaviour under uncertainty (Caballero and Krishnamurthy, 2008), rather than proving that realized acts mechanically reverse earlier threat-driven trades. We therefore interpret the decomposition as mechanism-consistent evidence, not as causal identification of a threat-to-act sequence.

Our design also addresses the main measurement problem in custody data. Holdings are market-value stocks, so share changes mix portfolio flows with revaluation. We therefore compare the change in each non-resident portfolio share with the corresponding change for resident holders exposed to the same broad Swiss market and exchange-rate environment. This relative-share design attenuates common valuation movements but cannot eliminate security-specific revaluation. We also show that the relative equity-share decline appears within CHF, USD and EUR sleeves separately, so cross-currency translation alone cannot explain the result.

The remainder of the paper is organized as follows: Section 2 presents the data, Section 3 describes the empirical strategy, Section 4 discusses the results, and Section 5 concludes.

2. Data

Deposit flows are from the SNB series on deposits and loans of commercial banks by counterparty, which reports financial transactions adjusted for valuation and exchange-rate effects, separately for foreign counterparties, domestic financial corporations, and

domestic non-financial counterparties (non-financial corporations, general government, households and NPISHs). Each quarterly flow is scaled by the lagged stock.

Custody holdings are from the SNB monthly survey of securities in bank custody accounts, which cross-classifies holdings by domicile of the account holder, investment currency, domicile of issuer and category of security. We take quarter-end observations and compute, for non-resident and resident holders separately, the portfolio share of equities and of bonds plus money-market instruments.

Geopolitical risk is the newspaper-based index of Caldara and Iacoviello (2022). Because a small open economy may care where the tension is, we use three geographies: Switzerland's own country index; an equally weighted average of the standardized country indices for the seventeen European countries other than Switzerland; and the corresponding average for the twenty-six non-European countries. We also use the global index and its threats/acts decomposition. All measures entering the regressions are standardized. Macro-financial robustness checks use the Swiss ten-year government bond yield and real GDP growth. The sample is 2000Q1–2025Q4 (104 quarters). Appendix Tables A1–A2 give definitions, sources and descriptive statistics.

3. Empirical strategy

We estimate Jordà (2005) local projections. Let g_t denote quarterly deposit-flow growth. For horizon $h = 0, \dots, 8$,

$$\sum_{j=0}^h g_{t+j} = \alpha_h + \beta_h S_t + \sum_{\ell=1}^2 \phi_{h,\ell} g_{t-\ell} + \delta_h' Q_t + \varepsilon_{t+h} \quad (1)$$

where S_t is a standardised geopolitical-risk measure, two lags of deposit growth are included, and Q_t contains seasonal dummies. For custody portfolios, let $d_t = \omega_t^N - \omega_t^R$

denote the non-resident-minus-resident gap in a portfolio share and let $\Delta d_t = d_t - d_{t-1}$. We estimate

$$d_{t+h} - d_{t-1} = \alpha_h + \beta_h S_t + \sum_{\ell=1}^2 \phi_{h,\ell} \Delta d_{t-\ell} + \delta_h' \mathbf{Q}_t + \varepsilon_{t+h} \quad (2)$$

with N and R denoting non-resident and resident holders. Standard errors are Newey–West with $h + 1$ lags. The coefficient β_h is the cumulative response to a one-standard-deviation geopolitical-risk shock: in per cent for deposit-flow growth and in percentage points for the relative portfolio-share change.

4. Results

4.1 Deposits are not the margin of adjustment

Table 1 reports responses by geography. Swiss, rest-of-world and global geopolitical risk do not produce statistically significant positive deposit responses. European risk is associated with lower foreign deposits: the cumulative response is -3.57% at $h = 4$ ($t = -1.92$) and -3.42% at $h = 8$ ($t = -1.62$), so the 90% band includes zero at the two-year horizon. The response also loses significance when shock-origin dates are restricted to 2019Q4 or earlier (Table A6). Domestic non-financial deposits fall more precisely, by 2.04% over two years. This pattern is consistent with, but does not identify, a real-economy channel from European geopolitical stress. No deposit series shows a statistically significant positive cumulative response, so the positive deposit effect in Anastasiou et al. (2025) is not replicated in these Swiss aggregate series.

[Table 1 and Figure 1 about here]

4.2 Custody portfolios reallocate

The custody account shows a clearer relative-composition response. Following a one-standard-deviation rise in European geopolitical risk, the non-resident equity share

falls relative to the resident share, reaching -1.16 percentage points after eight quarters. The relative bond and money-market share rises by 0.78 points at $h = 4$ and remains 0.68 points higher at $h = 8$. Figures 1C and 1D show that these responses build over the first year and then persist, although the bond-and-money-market effect moderates by $h = 8$. Among the four geographic measures in Table 1, only European risk is statistically distinguishable from zero for these portfolio shares.

These patterns are difficult to attribute solely to broad revaluation. The resident benchmark absorbs common Swiss-market and exchange-rate forces, while the equity-share response also appears within CHF, USD and EUR holdings separately (-1.23 , -0.49 and -0.83 points at $h = 8$; Table A5), ruling out a purely cross-currency translation explanation. Conditioning on Swiss bond yields and GDP growth also leaves the equity-share response large and significant (Table 2). Security-specific price movements may nevertheless remain, so we interpret the estimates as relative portfolio-composition responses rather than direct transaction flows.

Nor is the response concentrated in Swiss issuers: the Swiss-issuer share is statistically insignificant throughout Table A5. The CHF bond-and-money-market relative share is also statistically insignificant. The data therefore point to a broad change in risk composition within Swiss custody portfolios, not a simple shift toward Swiss-issued securities.

4.3 Threats versus acts

Figure 2 decomposes the global geopolitical-risk index into threats and acts and enters them jointly. The two components have opposite conditional responses. At $h = 8$, a one-standard-deviation threat shock lowers the relative equity share by 1.38 points and

raises the relative bond and money-market share by 1.06 points; an acts shock raises the equity share by 0.92 points and lowers the bond and money-market share by 1.24 points. Their sample correlation is 0.485. The decomposition also rationalises the near-zero response to the aggregate global index: the two components move portfolio shares in opposing directions.

[Figure 2 about here]

This asymmetry is consistent with precautionary de-risking, but we do not interpret it as proof that a realised act reverses the portfolio response to a specific earlier threat. A separate macro-financial check reaches the same broad conclusion. GDP growth and its two lags explain only 0.9% of the variation in European geopolitical risk; the specification adding the Swiss ten-year yield, its two lags and the yield change explains 11.2% (Appendix Table A4). The orthogonalized European GPR shock remains highly correlated with the raw index (0.942), and its $h = 8$ equity-share response remains negative at -0.71 points ($t = -2.17$; Table 2).

4.4 Robustness

Table 2 summarizes robustness. The equity-share result is stable to Covid-19 and Credit Suisse dummies, excluding those episode quarters as shock-origin observations, SNB series-break dummies, macro controls and the combined-control specification. Excluding 2022 as shock-origin dates leaves the $h = 8$ equity estimate at -1.21 points; restricting shock-origin dates to 2019Q4 or earlier gives -1.03 points, with lower precision. The bond-and-money-market response is less robust: it weakens materially when 2022 shock-origin dates are excluded, when origin dates are restricted to 2019Q4 or earlier, and at $h = 8$ under the orthogonalized shock. Leave-one-quarter-out equity estimates range from

–1.35 to –1.12 and are uniformly negative (Figure A3). Identification of the equity result therefore uses the full sample, especially the larger recent European GPR shocks.

[Table 2 about here]

5. Conclusion

The Swiss safe-haven response in these data appears more clearly in relative custody-portfolio composition than in deposit accumulation. Foreign deposits do not show a robust positive response to geopolitical risk, while the non-resident equity share falls relative to the resident share after European GPR shocks and the baseline bond-and-money-market share rises. Global threat and act shocks have opposite relative-share responses, consistent with precautionary de-risking but not with a literal event-by-event reversal interpretation. For supervisors, the result highlights a market-composition and wealth-management exposure that is not visible in deposit flows alone; liquidity frameworks focused only on deposits would miss this additional margin.

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Table 1. Cumulative deposit and portfolio responses to a one-standard-deviation geopolitical-risk shock, by origin of risk

Origin of risk	Foreign deposits (%)		Domestic non-financial deposits (%)		Equity share, N-R change (pp)		Bond + money-market share, N-R change (pp)	
	h = 4	h = 8	h = 4	h = 8	h = 4	h = 8	h = 4	h = 8
Switzerland	-0.62 (-0.40)	0.39 (0.23)	-0.11 (-0.24)	-0.60 (-0.94)	-0.09 (-0.25)	-0.22 (-0.60)	0.03 (0.10)	-0.08 (-0.24)
Europe (ex-CH)	-3.57* (-1.92)	-3.42 (-1.62)	-1.13*** (-3.56)	-2.04*** (-4.99)	-0.95*** (-5.21)	-1.16*** (-4.80)	0.78*** (3.60)	0.68** (2.51)
Rest of world	0.16 (0.09)	2.06 (1.02)	-0.52 (-1.00)	-1.01 (-1.41)	-0.36 (-1.02)	-0.40 (-0.94)	0.10 (0.34)	-0.27 (-0.88)
Global	0.04 (0.03)	1.31 (0.86)	-0.18 (-0.35)	-0.63 (-0.93)	-0.19 (-0.48)	-0.19 (-0.54)	-0.03 (-0.09)	-0.33 (-1.16)

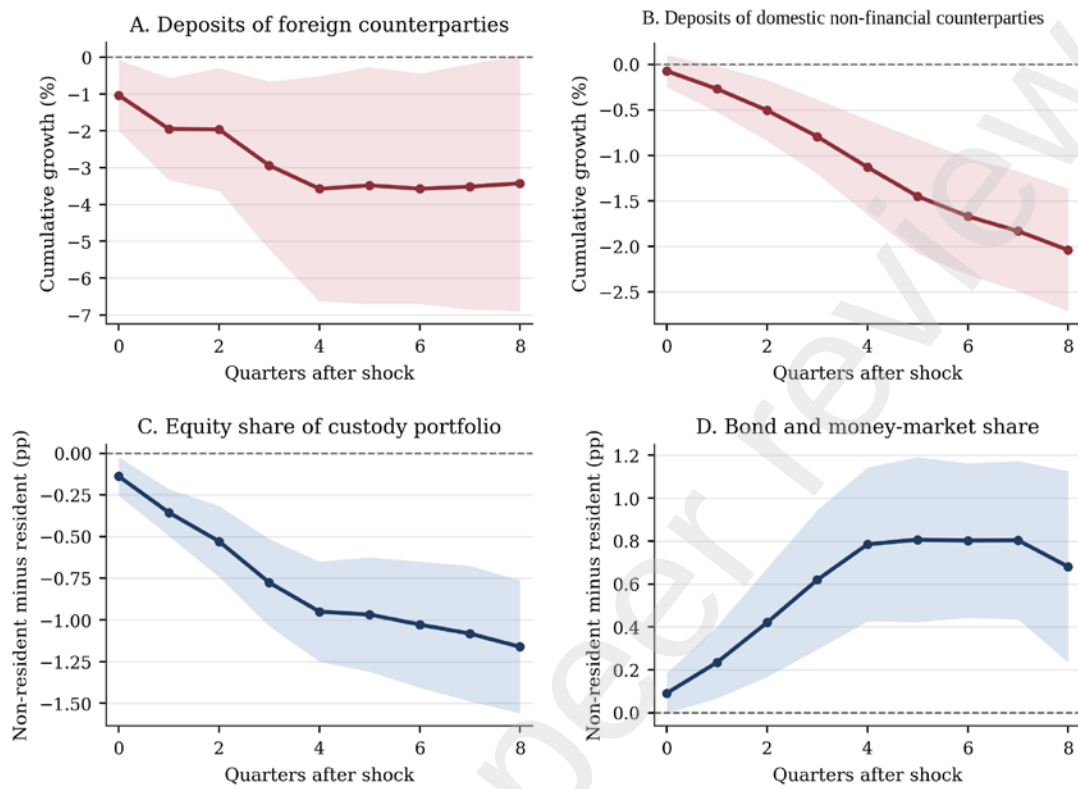
Notes. Each cell is a separate Jordà (2005) local projection, 2000Q1–2025Q4. Deposit responses are cumulative growth in per cent; custody responses are the cumulative change in the non-resident portfolio share minus the cumulative change in the resident share, in percentage points. Two lags of the dependent variable and seasonal dummies are included; Newey–West t-statistics with h+1 lags are in parentheses. ***, ** and * denote 1%, 5% and 10% significance. N = 94 at h = 8. Regional aggregates and sources are defined in Appendix Table A1.

Table 2. Robustness of relative custody-share responses to a one-standard-deviation European geopolitical-risk shock

Specification	Equity share, N–R change (pp)		Bond + money-market share, N–R change (pp)		N
	h = 4	h = 8	h = 4	h = 8	
(1) Baseline	-0.95*** (-5.21)	-1.16*** (-4.80)	0.78*** (3.60)	0.68** (2.51)	94
(2) + Covid-19 and Credit Suisse dummies	-0.95*** (-5.08)	-1.13*** (-5.10)	0.77*** (3.48)	0.66** (2.34)	94
(3) Episode shock-origin quarters excluded	-0.94*** (-4.93)	-1.13*** (-5.23)	0.75*** (3.70)	0.65** (2.38)	89
(4) + SNB series-break dummies	-0.90*** (-5.12)	-1.10*** (-4.70)	0.75*** (3.43)	0.64** (2.41)	94
(5) + Macro controls (10y yield, GDP growth)	-0.88*** (-4.90)	-1.02*** (-4.92)	0.66*** (2.69)	0.48 (1.63)	94
(6) All controls combined	-0.81*** (-4.26)	-0.92*** (-4.53)	0.66*** (3.35)	0.47** (2.40)	94
(7) Excluding 2022 shock-origin dates	-0.83** (-1.98)	-1.21** (-2.07)	0.36 (1.16)	0.15 (0.35)	90
(8) Shock-origin dates end 2019Q4	-0.48 (-1.06)	-1.03* (-1.80)	0.31 (0.68)	0.14 (0.24)	78
(9) Orthogonalised European GPR shock	-0.74*** (-2.92)	-0.71** (-2.17)	0.60** (2.15)	0.29 (0.77)	93

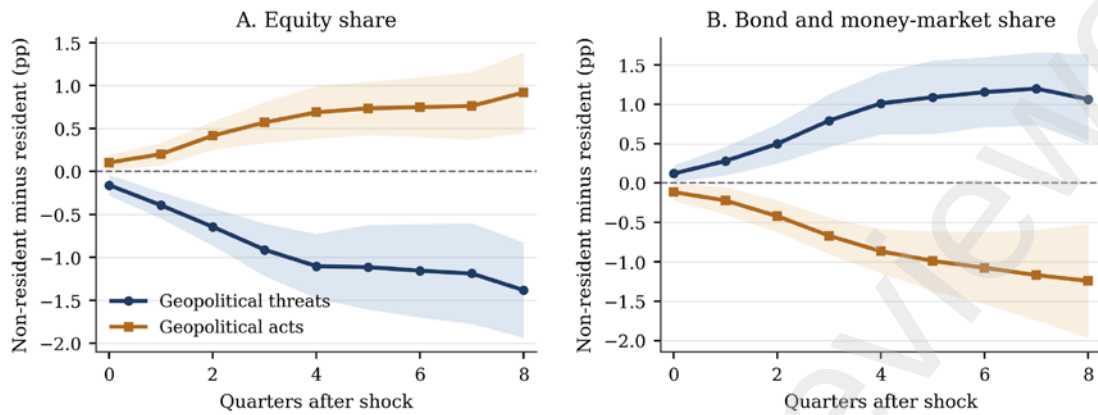
Notes. Dependent variables as in Table 1. Row (3) excludes 2020Q1–2020Q2 and 2022Q4–2023Q2 as shock-origin observations; cumulative outcomes for other origins may still span those quarters. Row (4) adds dummies for the seven quarters in which the SNB documents breaks in the custody survey. Row (6) combines rows (2), (4) and (5). Row (7) excludes 2022 shock-origin dates. Row (8) restricts shock-origin dates to 2019Q4 or earlier; $h > 0$ outcomes may extend beyond 2019Q4. Row (9) uses the standardized residual from the Appendix Table A4 regression of European GPR on GDP growth and two lags, the Swiss ten-year yield and two lags, and the first difference in the yield. Newey–West t-statistics are in parentheses; ***, ** and * denote 1%, 5% and 10% significance.

Figure 1. Cumulative responses to a one-standard-deviation European geopolitical-risk shock



Notes. Local projections as in Table 1. Panels A and B: cumulative deposit growth, per cent. Panels C and D: cumulative change in the non-resident custody share minus the cumulative change in the resident share, percentage points. Shaded areas are 90% Newey–West bands.

Figure 2. Geopolitical threats and geopolitical acts, entered jointly



Notes. The threats and acts components of the global index are standardized and entered jointly; their correlation is 0.485. Dependent variables and bands are as in Figure 1.

Online Appendix

Where is the Swiss safe haven? Geopolitical risk, bank deposits and custody portfolios

This online appendix reports variable definitions and sources (Table A1), descriptive statistics (Table A2), contemporaneous estimates across geopolitical-risk measures (Table A3), the relationship between European geopolitical risk and Swiss macro-financial conditions (Table A4), the full baseline horizon paths and additional portfolio margins referred to in the text (Table A5), the full Covid-19/Credit Suisse episode robustness paths (Table A6), and the joint threats/acts and macro-financial specifications (Tables A7 and A8). Figures A1–A3 show the underlying series and an influence diagnostic.

Table A1. Variable definitions and sources

Variable	Definition	Source
Foreign deposit growth	Quarterly financial transactions of foreign counterparties, scaled by the lagged stock (%).	SNB, cube bakredbwbkin
Domestic non-financial deposit growth	Transactions of domestic non-financial corporations, general government, households and NPISHs, scaled by the lagged stock (%).	SNB, cube bakredbwbkin
Domestic financial deposit growth	Transactions of domestic financial corporations, scaled by the lagged stock (%).	SNB, cube bakredbwbkin
Domestic total deposit growth	Transactions of all domestic counterparties, scaled by the lagged total domestic stock (%). The underlying transaction amount equals the sum of the domestic financial and domestic non-financial components.	SNB, cube bakredbwbkin
Custody holdings, non-resident / resident	Market value of securities held in bank custody accounts, by domicile of the account holder, quarter-end (CHF bn).	SNB, cube bawebewa
Equity share	Shares as a percentage of total custody holdings of the relevant holder group.	SNB, cube bawebewa
Bond + money-market share	Bond issues plus money-market instruments as a percentage of total custody holdings.	SNB, cube bawebewa
Equity share within a currency	Shares as a percentage of custody holdings denominated in that currency (CHF, USD, EUR).	SNB, cube bawebewa
Swiss-issuer share	Securities issued by domestic issuers as a percentage of total custody holdings.	SNB, cube bawebewa
GPR Switzerland	Country geopolitical-risk index for Switzerland (GPRC_CHE), quarterly average of monthly values.	Caldara and Iacoviello (2022)
GPR Europe (ex-CH)	Equally weighted average of the standardised country indices for BEL, DEU, DNK, ESP, FIN, FRA, GBR, HUN, ITA, NLD, NOR, POL, PRT, RUS, SWE, TUR and UKR.	Authors, from Caldara and Iacoviello (2022)
GPR rest of world	Equally weighted average of the standardised country indices for the twenty-six non-European countries covered by the GPRC dataset.	Authors, from Caldara and Iacoviello (2022)

GPR global; threats; acts	Global geopolitical-risk index (1985–2019 = 100) and its threats and acts components, quarterly averages.	Caldara and Iacoviello (2022)
Swiss 10-year government bond yield	Long-term government bond yield, monthly series averaged to quarterly (%).	OECD via FRED, IRLTLT01CHM156N
Real GDP growth	Quarter-on-quarter growth in real GDP (%).	Eurostat via FRED, CLVMNACSAB1GQCH

Notes. SNB refers to the Swiss National Bank data portal (data.snb.ch). Geopolitical-risk data are from Caldara and Iacoviello (2022), matteoiacoviello.com/gpr.htm. Regional aggregates are constructed by standardizing each country index over 2000Q1–2025Q4 and averaging, which gives each country equal weight in the variation of the aggregate rather than in its level.

Table A2. Descriptive statistics, 2000Q1–2025Q4

Variable	N	Mean	SD	Min	Max
Foreign deposit growth (%)	104	0.79	6.48	-18.45	31.81
Domestic non-financial deposit growth (%)	104	0.87	1.15	-2.38	3.87
Domestic financial deposit growth (%)	104	0.80	4.67	-13.02	12.46
Domestic total deposit growth (%)	104	0.84	1.41	-3.78	4.09
Non-resident custody growth (%)	104	0.93	5.18	-17.35	11.01
Resident custody growth (%)	104	1.14	4.09	-13.55	9.10
Equity share, non-resident (%)	104	43.44	5.07	31.16	52.38
Equity share, resident (%)	104	33.04	5.88	24.83	51.84
Bond + money-market share, non-resident (%)	104	24.66	6.82	14.39	42.33
Bond + money-market share, resident (%)	104	30.37	6.89	19.35	45.26
Δ N–R equity-share gap (pp)	104	0.22	0.65	-1.83	1.98
Δ N–R bond + money-market share gap (pp)	104	-0.02	0.66	-2.62	2.05
GPR Switzerland (share of articles, %)	104	0.06	0.04	0.02	0.28
GPR Europe ex-CH (standardized average)	104	0.00	0.75	-0.81	4.26
GPR rest of world (standardized average)	104	0.00	0.55	-0.65	1.95
GPR global index (1985–2019 = 100)	104	108.11	43.07	50.36	351.81
GPR global, threats	104	108.47	41.02	56.98	307.94
GPR global, acts	104	110.39	68.30	38.07	581.93
Swiss 10-year government bond yield (%)	103	1.36	1.36	-0.78	4.09
Real GDP growth, q/q (%)	103	0.46	1.12	-6.45	6.37

Notes. Deposit growth is the quarterly financial transaction scaled by the lagged stock. Custody shares are percentages of total custody holdings of the relevant holder group at quarter end. Δ N–R share denotes the quarter-to-quarter change in the non-resident-minus-resident share gap. Geopolitical-risk variables enter the regressions standardized over the estimation sample.

Table A3. Contemporaneous responses across geopolitical-risk measures

Geopolitical-risk measure	Foreign dep.	Dom. non-financial	Dom. financial	Dom. total	Equity share N-R	Bond+MM N-R
Switzerland	-0.42 (-0.85)	0.09 (0.56)	0.57 (1.50)	0.18 (1.14)	-0.02 (-0.25)	-0.01 (-0.24)
Germany	-0.96 (-1.59)	-0.07 (-0.60)	0.28 (0.70)	0.02 (0.17)	-0.14* (-1.76)	0.08 (1.42)
Europe (ex-CH)	-1.03* (-1.77)	-0.07 (-0.70)	0.02 (0.04)	-0.03 (-0.26)	-0.14** (-1.98)	0.09 (1.60)
Rest of world	-0.87* (-1.70)	0.04 (0.31)	0.26 (0.59)	0.12 (0.79)	-0.07 (-1.32)	0.02 (0.39)
Global	-0.54 (-1.12)	0.13 (0.90)	0.41 (1.07)	0.20 (1.35)	-0.03 (-0.46)	-0.01 (-0.23)
Global – threats	-0.90* (-1.78)	0.04 (0.32)	0.14 (0.32)	0.08 (0.54)	-0.11* (-1.91)	0.06 (1.32)
Global – acts	-0.19 (-0.43)	0.14 (1.07)	0.46 (1.23)	0.22 (1.49)	0.03 (0.57)	-0.06 (-1.11)

Notes. Each cell is a separate regression of the quarterly dependent variable on one standardized geopolitical-risk measure and seasonal dummies, with Newey–West standard errors (four lags). ***, ** and * denote significance at the 1%, 5% and 10% levels. N = 104. Germany is reported for comparability with earlier drafts; its correlation with the Europe (ex-CH) aggregate is 0.954, which is why the paper reports the regional aggregate rather than a single neighbour.

Table A4. European geopolitical risk and Swiss macro-financial conditions

Regressors	R²	F-test p-value
Real GDP growth and two lags	0.009	0.833
Swiss 10-year yield, two lags and first difference	0.099	0.017
All of the above	0.112	0.081

Notes. Each row regresses the standardized European geopolitical-risk index on the listed regressors over 2000Q1–2025Q4. The orthogonalized shock used in Table 2, row (9), is the standardized residual from the third specification; its correlation with the raw index is 0.942. The joint F-test p-value in the full specification is 0.081. For reference, the correlation between the European aggregate and the global index is 0.704, with the Swiss index 0.555, and with the rest-of-world aggregate 0.730.

Table A5. Cumulative responses to a one-standard-deviation European geopolitical-risk shock, full horizon paths

Dependent variable	h = 0	h = 1	h = 2	h = 3	h = 4	h = 5	h = 6	h = 7	h = 8	N
Foreign deposits (%)	-1.03* (-1.77)	-1.95** (-2.31)	-1.96* (-1.94)	-2.94** (-2.12)	-3.57* (-1.92)	-3.48* (-1.78)	-3.57* (-1.88)	-3.52* (-1.74)	-3.42 (-1.62)	94
Domestic non-financial deposits (%)	-0.07 (-0.70)	-0.27* (-1.75)	-0.51** (-2.49)	-0.79*** (-3.21)	-1.13*** (-3.56)	-1.45*** (-3.79)	-1.67*** (-4.29)	-1.83*** (-4.58)	-2.04*** (-4.99)	94
Domestic financial deposits (%)	0.02 (0.04)	0.20 (0.21)	-0.52 (-0.36)	-1.66 (-0.95)	-2.11 (-1.08)	-2.62 (-1.16)	-2.58 (-0.99)	-2.49 (-0.85)	-2.66 (-0.82)	94
Domestic total deposits (%)	-0.03 (-0.26)	-0.11 (-0.40)	-0.46 (-1.12)	-0.96* (-1.90)	-1.31** (-2.25)	-1.63** (-2.38)	-1.82** (-2.43)	-1.93** (-2.34)	-2.14** (-2.42)	94
Non-resident custody holdings (%)	-0.91* (-1.71)	-1.43 (-1.33)	-1.75 (-1.31)	-1.47 (-0.94)	-0.94 (-0.54)	-0.91 (-0.49)	-0.74 (-0.35)	0.33 (0.13)	1.44 (0.54)	94
Equity share, N–R change (pp)	-0.14** (-1.98)	-0.36*** (-4.16)	-0.53*** (-4.09)	-0.78*** (-4.88)	-0.95*** (-5.21)	-0.97*** (-4.64)	-1.03*** (-4.47)	-1.08*** (-4.38)	-1.16*** (-4.80)	94
Bond + money-market share, N–R change (pp)	0.09 (1.60)	0.23** (2.30)	0.42*** (2.73)	0.62*** (3.14)	0.78*** (3.60)	0.81*** (3.45)	0.80*** (3.67)	0.80*** (3.59)	0.68** (2.51)	94
Equity share within CHF holdings, N–R change (pp)	-0.11 (-0.88)	-0.41* (-1.78)	-0.79*** (-2.77)	-1.24*** (-3.83)	-1.39*** (-3.81)	-1.30*** (-3.53)	-1.23*** (-4.34)	-1.27*** (-4.63)	-1.23*** (-4.18)	94
Equity share within USD holdings, N–R change (pp)	-0.18* (-1.89)	-0.23* (-1.90)	-0.35** (-2.29)	-0.50*** (-2.81)	-0.56*** (-3.00)	-0.56*** (-3.10)	-0.51** (-2.37)	-0.47** (-1.98)	-0.49* (-1.91)	94
Equity share within EUR holdings, N–R change (pp)	-0.02 (-0.34)	-0.12 (-1.08)	-0.22 (-1.35)	-0.35* (-1.80)	-0.51** (-2.35)	-0.52** (-2.31)	-0.58** (-2.30)	-0.69** (-2.55)	-0.83*** (-3.20)	94
CHF bond + money-market share, N–R change (pp)	-0.00 (-0.08)	0.04 (0.33)	0.11 (0.76)	0.21 (1.04)	0.28 (1.22)	0.24 (0.99)	0.20 (0.73)	0.25 (0.70)	0.26 (0.63)	94
Swiss-issuer share, N–R change (pp)	-0.08 (-1.30)	-0.15 (-1.42)	-0.15 (-1.08)	-0.14 (-0.77)	-0.14 (-0.60)	-0.22 (-0.84)	-0.37 (-1.32)	-0.41 (-1.44)	-0.41 (-1.38)	94

Notes. Jordà (2005) local projections. Deposit and custody-level responses are cumulative growth in per cent; share responses are the cumulative change in the non-resident share minus the cumulative change in the resident share, in percentage points. All specifications include two lags of the dependent variable and seasonal dummies. Newey–West t-statistics with h+1 lags are in parentheses. ***, ** and * denote significance at the 1%, 5% and 10% levels. Sample 2000Q1–2025Q4.

Table A6. Robustness to the Covid-19 and Credit Suisse episodes, full horizon paths

Specification	h = 0	h = 1	h = 2	h = 3	h = 4	h = 5	h = 6	h = 7	h = 8	N
Panel A. Foreign deposits (%)										
(1) Baseline	-1.03* (-1.77)	-1.95** (-2.31)	-1.96* (-1.94)	-2.94** (-2.12)	-3.57* (-1.92)	-3.48* (-1.78)	-3.57* (-1.88)	-3.52* (-1.74)	-3.42 (-1.62)	94
(2) + Covid-19 and Credit Suisse dummies	-0.82 (-1.57)	-1.61** (-2.21)	-1.65* (-1.70)	-2.64* (-1.92)	-3.27* (-1.74)	-3.22 (-1.63)	-3.26* (-1.68)	-3.18 (-1.55)	-3.04 (-1.43)	94
(3) Episode shock-origin quarters excluded	-0.79 (-1.55)	-1.55** (-2.16)	-1.61* (-1.71)	-2.60* (-1.95)	-3.23* (-1.75)	-3.19 (-1.63)	-3.21* (-1.68)	-3.16 (-1.55)	-3.04 (-1.44)	89
(4) Shock-origin dates end 2019Q4	-1.57 (-1.35)	-2.41 (-1.33)	0.21 (0.13)	0.52 (0.25)	1.75 (0.70)	2.25 (0.86)	1.84 (0.61)	2.03 (0.60)	2.03 (0.53)	78
Panel B. Domestic non-financial deposits (%)										
(1) Baseline	-0.07 (-0.70)	-0.27* (-1.75)	-0.51** (-2.49)	-0.79*** (-3.21)	-1.13*** (-3.56)	-1.45*** (-3.79)	-1.67*** (-4.29)	-1.83*** (-4.58)	-2.04*** (-4.99)	94
(2) + Covid-19 and Credit Suisse dummies	-0.02 (-0.17)	-0.17 (-1.11)	-0.38** (-2.14)	-0.65*** (-2.89)	-0.97*** (-3.25)	-1.28*** (-3.44)	-1.50*** (-3.91)	-1.66*** (-4.21)	-1.89*** (-4.75)	94
(3) Episode shock-origin quarters excluded	-0.02 (-0.16)	-0.17 (-1.06)	-0.37** (-2.05)	-0.64*** (-2.80)	-0.96*** (-3.20)	-1.27*** (-3.41)	-1.49*** (-3.95)	-1.66*** (-4.27)	-1.88*** (-4.81)	89
(4) Shock-origin dates end 2019Q4	0.33 (1.40)	0.18 (0.58)	-0.22 (-0.56)	-0.33 (-0.66)	-0.43 (-0.67)	-0.60 (-0.73)	-0.90 (-1.07)	-1.04 (-1.34)	-1.43* (-1.71)	78
Panel C. Equity share, N-R change (pp)										
(1) Baseline	-0.14** (-1.98)	-0.36*** (-4.16)	-0.53*** (-4.09)	-0.78*** (-4.88)	-0.95*** (-5.21)	-0.97*** (-4.64)	-1.03*** (-4.47)	-1.08*** (-4.38)	-1.16*** (-4.80)	94
(2) + Covid-19 and Credit Suisse dummies	-0.13** (-2.00)	-0.35*** (-4.29)	-0.52*** (-4.03)	-0.77*** (-4.75)	-0.95*** (-5.08)	-0.96*** (-4.55)	-1.02*** (-4.50)	-1.06*** (-4.46)	-1.13*** (-5.10)	94
(3) Episode shock-origin quarters excluded	-0.13* (-1.95)	-0.34*** (-4.42)	-0.51*** (-4.12)	-0.77*** (-4.77)	-0.94*** (-4.93)	-0.96*** (-4.45)	-1.02*** (-4.43)	-1.06*** (-4.44)	-1.13*** (-5.23)	89
(4) Shock-origin dates end 2019Q4	-0.10 (-0.97)	-0.23 (-1.52)	-0.16 (-0.64)	-0.33 (-0.91)	-0.48 (-1.06)	-0.52 (-1.02)	-0.69 (-1.24)	-0.81 (-1.38)	-1.03* (-1.80)	78
Panel D. Bond + money-market share, N-R change (pp)										
(1) Baseline	0.09 (1.60)	0.23** (2.30)	0.42*** (2.73)	0.62*** (3.14)	0.78*** (3.60)	0.81*** (3.45)	0.80*** (3.67)	0.80*** (3.59)	0.68** (2.51)	94

(2) + Covid-19 and Credit Suisse dummies	0.07 (1.44)	0.20** (2.24)	0.38** (2.57)	0.59*** (2.94)	0.77*** (3.48)	0.80*** (3.37)	0.80*** (3.55)	0.79*** (3.38)	0.66** (2.34)	94
(3) Episode shock-origin quarters excluded	0.06 (1.32)	0.19** (2.17)	0.36*** (2.68)	0.58*** (3.19)	0.75*** (3.70)	0.78*** (3.55)	0.79*** (3.70)	0.78*** (3.47)	0.65** (2.38)	89
(4) Shock-origin dates end 2019Q4	0.06 (0.53)	0.09 (0.55)	0.19 (0.70)	0.21 (0.57)	0.31 (0.68)	0.31 (0.68)	0.41 (0.87)	0.45 (0.88)	0.14 (0.24)	78

Notes. Specification (3) drops 2020Q1–2020Q2 and 2022Q4–2023Q2 as shock-origin observations while retaining those dates when they enter cumulative outcomes for other origins. Specification (4) restricts shock-origin dates to 2019Q4 or earlier; because the local-projection outcome is cumulative, $h > 0$ outcomes may use post-2019 observations, so this is not a strict truncation of all data at 2019Q4. Under this origin-date restriction, the deposit responses lose precision. The $h = 8$ equity N–R response remains similar in magnitude (–1.03 versus –1.16) but less precise, whereas the bond-and-money-market N–R response weakens substantially (0.14 versus 0.68). All specifications include two lags of the dependent variable and seasonal dummies. Newey–West t-statistics with $h+1$ lags are in parentheses. ***, ** and * denote significance at the 1%, 5% and 10% levels. Sample 2000Q1–2025Q4.

Table A7. Geopolitical threats and acts entered jointly

Regressor	h = 0	h = 1	h = 2	h = 3	h = 4	h = 5	h = 6	h = 7	h = 8	N
<i>Panel A. Equity share, N–R change (pp)</i>										
Geopolitical threats	-0.16** (-2.15)	-0.39*** (-4.18)	-0.64*** (-4.86)	-0.91*** (-4.91)	-1.10*** (-4.82)	-1.11*** (-3.72)	-1.15*** (-3.49)	-1.19*** (-3.33)	-1.38*** (-4.10)	94
Geopolitical acts	0.10* (1.89)	0.20** (2.52)	0.42*** (4.18)	0.57*** (3.94)	0.69*** (3.69)	0.73*** (3.89)	0.75*** (3.55)	0.76*** (3.19)	0.92*** (3.23)	94
<i>Panel B. Bond + money-market share, N–R change (pp)</i>										
Geopolitical threats	0.12* (1.87)	0.28** (2.54)	0.50*** (3.28)	0.79*** (3.87)	1.01*** (4.23)	1.09*** (3.83)	1.15*** (4.25)	1.20*** (4.27)	1.06*** (3.05)	94
Geopolitical acts	-0.12* (-1.74)	-0.22** (-2.10)	-0.42*** (-3.46)	-0.67*** (-4.75)	-0.87*** (-5.13)	-0.99*** (-4.32)	-1.08*** (-3.85)	-1.17*** (-3.37)	-1.24*** (-2.83)	94
<i>Panel C. Foreign deposits (%)</i>										
Geopolitical threats	-1.04* (-1.77)	-1.69* (-1.84)	-2.10* (-1.89)	-2.83* (-1.75)	-3.34 (-1.35)	-3.41 (-1.25)	-4.05 (-1.52)	-4.26 (-1.49)	-4.24 (-1.43)	94
Geopolitical acts	0.30 (0.62)	0.88 (1.47)	1.85** (2.38)	2.06* (1.84)	2.68* (1.82)	2.98* (1.69)	3.74* (1.67)	4.11 (1.64)	4.73* (1.71)	94
<i>Panel D. Domestic non-financial deposits (%)</i>										
Geopolitical threats	-0.03 (-0.26)	-0.27 (-1.37)	-0.57** (-2.55)	-0.98*** (-3.77)	-1.42*** (-3.99)	-1.88*** (-4.21)	-2.22*** (-4.86)	-2.35*** (-4.10)	-2.45*** (-3.66)	94
Geopolitical acts	0.16 (1.14)	0.33** (2.50)	0.44*** (2.81)	0.63*** (3.19)	0.94*** (3.89)	1.24*** (4.10)	1.39*** (4.35)	1.32*** (3.60)	1.28*** (2.96)	94

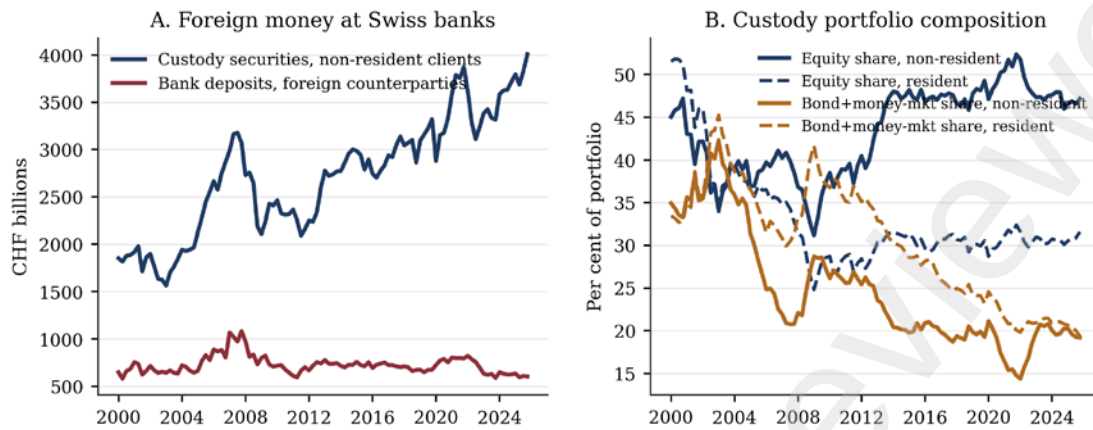
Notes. The threats and acts components of the global geopolitical-risk index are standardized and entered jointly. Their correlation over the estimation sample is 0.485. Coefficients are conditional responses to the two components, not an event-by-event mapping from a particular threat to a later act. All specifications include two lags of the dependent variable and seasonal dummies. Newey–West t-statistics with h+1 lags are in parentheses. ***, ** and * denote significance at the 1%, 5% and 10% levels. Sample 2000Q1–2025Q4.

Table A8. Geopolitical, financial and economic shocks entered jointly

Regressor	h = 0	h = 1	h = 2	h = 3	h = 4	h = 5	h = 6	h = 7	h = 8	N
<i>Panel A. Equity share, N–R change (pp)</i>										
European geopolitical risk	-0.12 (-1.60)	-0.34*** (-4.04)	-0.52*** (-4.11)	-0.76*** (-4.85)	-0.94*** (-5.12)	-0.92*** (-4.54)	-0.96*** (-4.16)	-1.00*** (-4.01)	-1.06*** (-4.05)	94
Change in Swiss 10-year yield	-0.09 (-1.34)	-0.07 (-0.74)	-0.08 (-0.70)	-0.10 (-0.82)	-0.10 (-0.72)	-0.28* (-1.89)	-0.39*** (-2.70)	-0.45*** (-2.82)	-0.49*** (-2.70)	94
Real GDP growth	0.06* (1.69)	0.02 (0.46)	-0.06 (-0.98)	-0.04 (-0.45)	-0.17 (-1.30)	-0.19 (-1.09)	-0.23 (-1.20)	-0.28* (-1.67)	-0.23 (-1.38)	94
<i>Panel B. Bond + money-market share, N–R change (pp)</i>										
European geopolitical risk	0.06 (1.05)	0.19* (1.89)	0.41*** (2.74)	0.65*** (3.19)	0.80*** (3.63)	0.81*** (3.52)	0.80*** (3.69)	0.81*** (3.60)	0.65** (2.53)	94
Change in Swiss 10-year yield	0.10 (1.52)	0.19* (1.68)	0.02 (0.12)	-0.15 (-0.82)	-0.08 (-0.40)	-0.00 (-0.01)	-0.00 (-0.02)	-0.01 (-0.05)	0.14 (0.53)	94
Real GDP growth	-0.05 (-1.35)	-0.14 (-1.43)	-0.16 (-0.88)	-0.15 (-0.78)	-0.06 (-0.34)	-0.01 (-0.05)	0.02 (0.08)	0.08 (0.31)	0.03 (0.11)	94
<i>Panel C. Foreign deposits (%)</i>										
European geopolitical risk	-0.97 (-1.46)	-1.74** (-2.01)	-1.65* (-1.76)	-2.62** (-2.02)	-3.04* (-1.81)	-2.61 (-1.57)	-2.90* (-1.68)	-2.81 (-1.53)	-2.62 (-1.41)	94
Change in Swiss 10-year yield	-0.31 (-0.42)	-0.88 (-1.04)	-1.31 (-1.58)	-1.24 (-0.95)	-2.11* (-1.68)	-3.38*** (-3.07)	-2.57** (-1.98)	-2.67** (-2.16)	-2.94** (-2.44)	94
Real GDP growth	-0.18 (-0.35)	-0.39 (-0.54)	-0.29 (-0.40)	-0.32 (-0.44)	-0.21 (-0.23)	-0.32 (-0.35)	-0.98 (-1.18)	-0.99 (-0.71)	-0.55 (-0.34)	94
<i>Panel D. Domestic non-financial deposits (%)</i>										
European geopolitical risk	-0.03 (-0.32)	-0.21 (-1.53)	-0.45** (-2.39)	-0.69*** (-3.14)	-0.99*** (-3.73)	-1.26*** (-4.13)	-1.46*** (-4.74)	-1.61*** (-5.08)	-1.77*** (-4.90)	94
Change in Swiss 10-year yield	-0.23* (-1.90)	-0.30** (-1.98)	-0.28 (-1.61)	-0.45** (-2.12)	-0.61** (-2.36)	-0.82*** (-3.26)	-0.87*** (-3.35)	-0.93*** (-3.47)	-1.10*** (-3.76)	94
Real GDP growth	-0.09 (-0.93)	-0.27*** (-2.74)	-0.42*** (-3.40)	-0.52*** (-3.42)	-0.53*** (-3.01)	-0.58*** (-3.19)	-0.71*** (-2.94)	-0.80*** (-3.08)	-0.70** (-2.41)	94

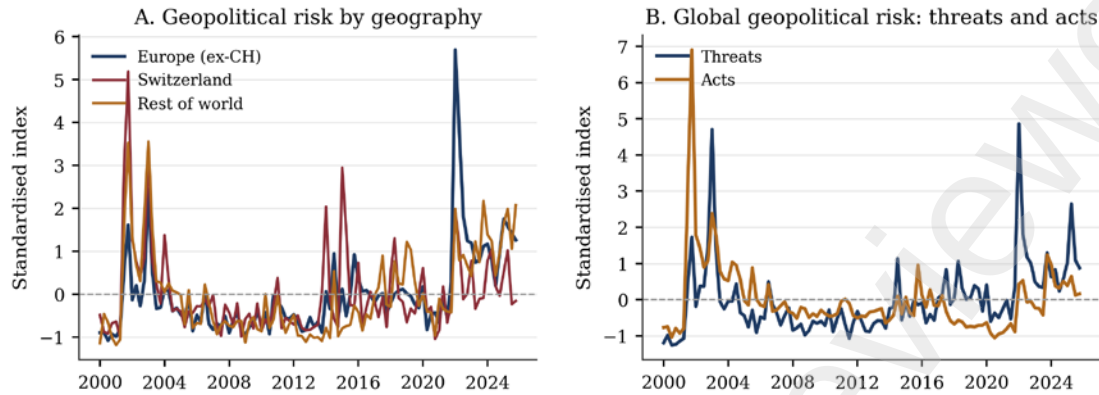
Notes. The standardized European geopolitical-risk index, the standardized change in the Swiss ten-year government bond yield and standardized real GDP growth enter the same projection. The relative custody-share responses to European GPR remain economically large when these financial and economic shocks enter jointly. All specifications include two lags of the dependent variable and seasonal dummies. Newey–West t-statistics with h+1 lags are in parentheses. ***, ** and * denote significance at the 1%, 5% and 10% levels. Sample 2000Q1–2025Q4.

Figure A1. The Swiss deposit base and custody holdings, 2000–2025



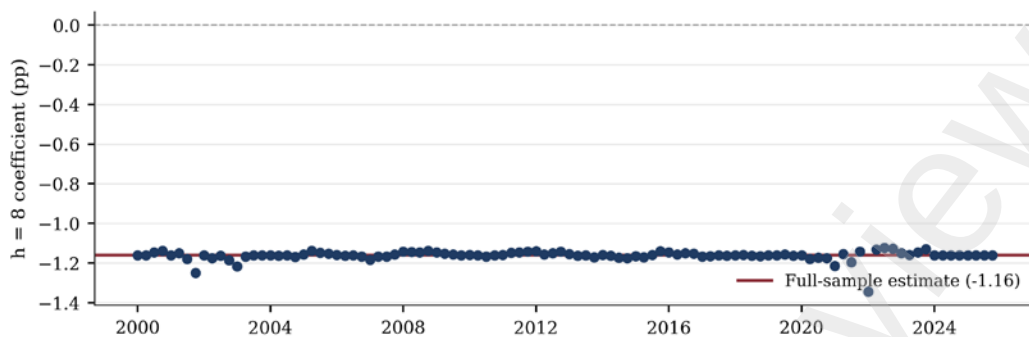
Notes. Panel A compares the market value of securities held in Swiss bank custody accounts by non-resident clients with the stock of bank deposits of foreign counterparties. These are aggregate series and need not refer to matched clients. Panel B shows the portfolio composition of non-resident and resident custody clients. Source: SNB data portal.

Figure A2. Geopolitical-risk measures



Notes. All series are standardized over 2000Q1–2025Q4. Panel A shows the three geographies used in the paper. Panel B shows the threats and acts components of the global index. Source: Caldara and Iacoviello (2022) and authors' calculations.

Figure A3. Leave-one-quarter-out estimates



Notes. Each point is the $h = 8$ coefficient on the European geopolitical-risk shock in the equity-share N-R change specification, re-estimated dropping the quarter shown. All 104 estimates are negative and range from -1.35 to -1.12 against a full-sample estimate of -1.16 .